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<p>Tiivistelmä-Referat-Abstract</p> <p>Consumption-saving behaviour of individuals has been contemplated since the early days of economics. Increasing pressure on the current public pension system in Europe has raised new questions for consumption-saving analysis concerning retirement saving. Several studies using the tools of the conventional economics give answers how the transition from the current system to a new tolerable system should be made. One extreme suggested policy is to substitute the public pension with a private one.</p> <p>Recent studies in behavioural economics show, however, that many results in retirement-saving analyses change when the conventional assumption of exponential discounting is substituted with the assumption of hyperbolic discounting. Hyperbolic discounting is justified by number of empirical and experimental studies of time preference that find discount rates to be much greater in the short-run than in the long-run. This paper studies ex-post effects of a pension reform, in which the public pension system is substituted fully with private saving. The main focus of the study is on existence impacts of a fixed-contribution retirement saving program (SP). We then contemplate consumption-saving behaviour and procrastination to start SP with heterogeneous types of the hyperbolic agent. The contemplation is done in the absence and in the presence of SP, and enrollment on it is costly in terms of utility. The different types of the agent are classified according to their awareness about the reversing future intertemporal preferences. The naïve is fully unaware, sophisticated is fully aware, and a new type, the learning naïve learns in time, about his future preferences.</p> <p>The results establish that in the absence of SP all the types of the agent make the same consumption-saving decisions, but differ in their retirement saving plans. In the presence of SP with an enrollment-effort cost, naïve is usually worse off, sophisticated always better off, and learning naïve better off, worse off or at the same level than in the absence of it. Hence, if the pension reform aims to private funding with a retirement saving program the enrollment-effort cost should be very low, or then possibilities to learn about preferences should be provided due to retirement savings lowering procrastination.</p>			
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